



Strategy of The Service of Cooperatives and UKM Province of Sumsel Province in The Development of the Micro, Small and Medium Business Sector (UMKM) During The Covid-19 Pandemic*

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Abstract

The Covid-19 pandemic has had an impact on economic instability, including Micro, Small, and Medium Enterprises (UMKM). In general, the majority of UMKMs experienced a decline in income and even went bankrupt due to the Covid-19 pandemic. Facing this, a strategy is needed for UMKMs to survive and be able to develop their business amid the Covid-19 pandemic. One of the main aspects that have an impact on UMKM actors is the decline in the number of sales which makes UMKMs' financial condition in a crisis. Restrictions on social activities make it difficult for UMKMs to move to develop a business scale if they only use these conventional methods. Business actors have taken various ways to respond to these difficult conditions to maintain their business. The lack of mass mobility around the market certainly hampers the promotion rate which affects the level of sales. Overcoming this, online marketing through the media is the right step that must be taken by business actors.

Keywords: Strategy; Department of Cooperatives; UKM; Covid-19 Pandemic

Abstrak

Pandemi Covid-19 memberi dampak pada ketidakstabilan ekonomi, termasuk Usaha Mikro Kecil Menengah (UMKM). Secara umum, mayoritas dari pelaku UMKM mengalami penurunan pendapatan bahkan kebangkrutan akibat pandemi Covid-19. Menghadapi hal demikian diperlukan strategi bagi UMKM untuk tetap bertahan dan dapat mengembangkan bisnisnya di tengah pandemi Covid-19. Aspek utama yang sangat berdampak bagi pelaku UMKM salah satunya adalah penurunan jumlah penjualan yang membuat kondisi keuangan UMKM dalam kondisi krisis. Pembatasan kegiatan sosial membuat UMKM sulit untuk bergerak mengembangkan skala usaha jika hanya memanfaatkan metode konvensional tersebut. Pelaku usaha telah melakukan berbagai cara merespon kondisi sulit ini untuk mempertahankan usahanya. Kurangnya mobilitas massa di sekitar pasar tentu menghambat laju promosi yang berpengaruh kepada tingkat penjualan. Mengatasi hal tersebut, pemasaran secara online melalui media merupakan langkah tepat yang harus dilakukan oleh para pelaku usaha.

Kata Kunci: Strategi; Dinas Koperasi; UKM; Covid-19

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A. INTRODUCTION

The challenge in facing economic development during the current pandemic is to strive for the continuity of existing economic activities, especially in advanced UKM with effective and efficient governance, participation of all elements of society in general, use of technology, support for the business climate in production and marketing, assurance security, providing added value, and employment.⁴ The progress of economic development in the region and all social problems of the community are very dependent on the progress of the development of Micro, Small and Medium Enterprises (UMKM) based on local potential.⁵ UMKM is a business that has advantages in the ability to absorb a very large workforce.⁶ So that the role of UMKM is not only increasing economic growth but also has an important role in overcoming the problem of unemployment in Indonesia.⁷ UMKM development often has problems with the low quality of human resources (HR); limited capital; limited raw materials both quality and quantity; limitations in the mastery of science and technology; and do not have business plans and prospects, often its development is only limited to increasing household income.⁸ Facing many obstacles in the development of UMKMs, the government has an effective and optimal role as a facilitator, regulator and catalyst in improving UMKM performance.⁹

Micro-enterprises can be defined as productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro-enterprises as stipulated in the Act, while small-scale businesses are productive economic businesses that stand-alone, which are carried out by individuals or business entities that are not subsidiaries. or not a branch of a company that is owned, controlled, or becomes a part, either directly or indirectly, of a medium-sized business or a large business that meets the criteria for Small Business as referred to and lastly, Medium Enterprises are productive economic businesses that stand-alone, which are carried out by individuals or business entities. which is not a subsidiary or branch owned, controlled.

Economic development and development are all efforts made jointly by the government and the community in managing the potential of regional resources, to achieve development that is just, equitable, prosperous, independent, and sustainable¹⁰. The main prerequisite for regional development is social and economic growth.

⁴ Adisasmita, R. 2013. *Pembangunan Perdesaan*. Makasar (ID): Graha Ilmu.

⁵ Tambunan, T. 2009. *UMKM di Indoneisa*. Jakarta (ID): Ghalia Indonesia

⁶ Bustam, N. H. 2016. Pengaruh Jumlah Unit, Pdb Dan Investasi Umkm Terhadap Penyerapan Tenaga Kerja Di Indonesia Periode 2009-2013. *Kutubkhanah: Jurnal Penelitian Sosial Keagamaan*. 19 (2): 250–261.

⁷ Sunariani, N. N., Suryadinata, A. O., & Mahaputra, I. I. R. 2017. Pemberdayaan usaha mikro kecil dan menengah (umkm) melalui program binaan di provinsi Bali. *Jurnal Ilmiah Manajemen Dan Bisnis*. 2(1): 1–20.

⁸ Alyas, Rakib, M. 2017. *Strategi Pengembangan Usaha Kecil Dan Menengah Dalam Penguatan Ekonomi Kerakyatan* (Studi Kasus pada Usaha Roti Maros di Kabupaten Maros). *Sosiohumaniora*. 19 (2): 114–120. <https://doi.org/10.24198/sosiohumaniora.v19i2.12249>

⁹ Putra, T. G. 2015. Peran Pemerintah Daerah Dan Partisipasi Pelaku Usaha Dalam Pengembangan UMKM Manik-Manik Kaca di Kabupaten Jombang. *Jurnal Kebijakan Dan Manajemen Publik*. 3(1): 1–10.

¹⁰ Muta'ali, L. 2006. *Pengembangan Wilayah Perdesaan (Prespektif Keruangan)*. Yogyakarta(ID): Badan Penerbit fakultas Geografi (BPFG-UGM)

Economic growth is defined as an increase in overall community income that occurs in an area, namely an increase in all added value that occurs or an increase in regional income.¹¹ According to Elisa and Santoso (2017),¹² strategies in the economic development of a region must rely on local resources or potential. Local potential in the village is all power, strength, and ability from various aspects that allow it to be developed in achieving development goals.¹³

In the context of administering regional government by the mandate of the 1945 Constitution of the Republic of Indonesia, it requires regional governments to be able to regulate and manage their government affairs according to the principles of autonomy and assistance tasks. In addition, local governments are directed to be able to accelerate the realization of community welfare through improvement, service, empowerment, and community participation, as well as increasing regional competitiveness, taking into account the principles of democracy, equity, justice, privilege, and the specificity of a region in the system of the Unitary State of the Republic of Indonesia. The implementation of regional government is carried out with more attention to aspects of the relationship between government structures and regional governments, regional potential and diversity, opportunities and challenges of global competition by giving the widest authority to regions accompanied by the granting of rights and obligations to implement regional autonomy in the unity of the state administration system.

As a consequence of the regional autonomy policy, the government has issued Law no. 32 of 2004¹⁴ concerning Regional Government which brought major changes to the system of government in Indonesia. In addition, the consequences of the regional autonomy policy are efforts to empower and improve the regional economy through a good financial balance between the central government and regional governments.

The Influence of Law No. 32 of 2004 is the formation of autonomous regions. Where in the Law, it is explained that an autonomous region is a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community according to their initiatives based on the aspirations of the people within the bonds of the Unitary State of the Republic of Indonesia. Based on this understanding, it can be concluded that each autonomous region has the right to regulate its government. In other words, governance in Indonesia is not only the responsibility of the central government but is the responsibility of the local government itself.

In accordance with article 33 paragraph 1 of the 1945 Constitution that the economy is structured as a joint effort based on the principle of kinship. This is further

¹¹ Tarigan, R. 2007. *Ekonomi Regional Teori dan Aplikasi*. Jakarta (ID): Bumi Aksara

¹² Elisa, A. F., & Santoso, E. B. 2017. Penentuan Faktor – Faktor yang Berpengaruh di Kelurahan Kemas Kecamatan Krian Pengembangan Ekonomi Lokal. *Jurnal Teknik ITS*. 6 (2): C471–C476

¹³ Soleh, A. 2017. Strategi Pengembangan Potensi Desa. *Jurnal Sungkai*. 5(1): 32–52.

¹⁴ UUD No.32 Tahun 2004 tentang Pemerintah Daerah yang membawa perubahan besar terhadap sistem pemerintahan di Indonesia. Dengan adanya UndangUndang tersebut, maka dapat dilihat bahwa adanya landasan hukum yang kuat bagi penyelenggaraan otonomi daerah, dengan memberikan keleluasaan kepada daerah untuk mewujudkan daerah yang mandiri dalam kerangka kesatuan dan persatuan bangsa sesuai dengan UUD 1945.

emphasized in the explanation of article 33 that the prosperity of the community is prioritized, not the prosperity of an individual. Cooperatives and Micro, Small, and Medium Enterprises (UMKM) are representatives of the Indonesian people in the life of the national economy, so they need to be given high priority in national development. For this reason, it is necessary to develop a strategy for developing cooperatives and UKMs in Indonesia that is integrated, systematic, and sustainable. And Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises emphasizes that UMKM need to be empowered by:¹⁵

1. Development of a business climate that supports the development of Micro, Small, and Medium Enterprises.
2. Development and development of Micro, Small, and Medium Enterprises. The problems that are often experienced by UKMs are in terms of marketing and finance

Micro, Small, and Medium Enterprises (UMKM) in the national economy have an important and strategic role. In today's era, the absorption of labor from the UMKM sector can be said to be quite a lot. And the large number of people who are involved in the UMKM sector is due to various educational backgrounds. Behind the many developing UMKM sectors, there are still many problems faced by these business actors, these problems include weak access to capital, weak access to technology, and weak access to business partnerships. These obstacles are the focus of this discussion.

Literature Review

There have been many discussions regarding the Strategy of the South Sumatra Province Cooperatives and UMKM Service in the Development of the Micro, Small and Medium Enterprises Sector, including:

Research conducted by Rian Hidayat in 2021 with the title of the thesis on UMKM Development Strategies in the Covid-19 Pandemic Period from the Industrial Engineering Study Program, Faculty of Engineering, University of Muhammadiyah Palembang. From this study, it was concluded that the Covid-19 pandemic had affected the economic sector, including small and medium enterprises (UMKMs). Despite the decline in UMKM income over the last six months, business actors still have to develop their businesses. This study aims to determine the distribution of UMKMs affected by the pandemic and to rebuild UMKM stretching strategies as a commodity for the nation's economic development. The results of the study state that the distribution of the Palembang city UMKMs affected by the pandemic is still quite large and continues to grow and develop because the Palembang city UMKMs continue to build development strategies to meet needs. Based on the results of the study, it was found that the UMKM development strategy in the Covid-19 Pandemic Period with the SWOT Method was to

¹⁵ Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil dan Menengah.

develop the latest product innovations, develop offline and online transactions, and develop payments via direct and E-Money.¹⁶

Next is the scientific journal *Muqoddimah* (Journal of Social Sciences, Politics, and Humanities) Volume 5 Number 2 August 2021. From South Tapanuli University written by Cahya Nabila, Tuah Nur and M. Rizal. Whereas Micro and Small Enterprises need to be empowered to open new business fields using; growing a business climate that supports the guidance and development of Micro, Small, and Medium Enterprises. Micro and Small Enterprises can survive even when the economic crisis hits. Although relatively small, this business can survive because it is directly felt and in direct contact with the community. The role of trade in the regional economy is one indicator of the economic progress of a region and has the potential to increase Regional Original Income (PAD). The purpose of this study was to find out how the Strategy of the Department of Trade, Cooperatives, and UKM in Sukabumi Regency in the development of the Micro and Small Business sector. The research method used to solve the problem that will be and is being researched. The research method is a way to find the truth scientifically based on appropriate and accountable data. This study uses a qualitative type of research. This study uses three triangulations, namely source triangulation, technique triangulation, and time triangulation to obtain accurate validity in this study. Validity is the degree of accuracy between the data that occurs in the object of research and the power that can be reported by researchers. From the research, it can be concluded that the target to be achieved by the organization/company, in this case, the micro and small business actors, is to obtain business legality, namely the Micro Small Business License (IUMK). In practice, there are still MSEs that do not have an IUMK.¹⁷

The thesis is written by Lia Fitriani in 2021 with the title "Efficacy of Micro, Small and Medium Enterprises (UMKM) Empowerment Strategies during the 2020 Covid-19 Pandemic at the NTB Provincial Cooperatives and UKMs Service from the University of Muhammadiyah Mataram: One of the efforts to restore business for ultra micro businesses against the impact of the Covid 19 outbreak, namely by empowering micro, small and medium enterprises carried out by the UKM Cooperative Service of West Nusa Tenggara Province. The empowerment provided is in the form of establishing a program that involves micro and small businesses in the provision of social safety nets (JPS) and the provision of economic stimulus in the form of facilitation of providing capital. This assistance is used to restore the economy of the community affected by the Covid-19 Pandemic by providing opportunities to produce their business results as a form of participation in the prevention of Covid-19 which can provide benefits to the affected Micro and Small Businesses. And can provide an opportunity to start a business Back during the economic crisis. In its implementation, some problems occur, namely the lack of capital to empower all Micro Small Businesses affected by the Covid-19 Pandemic so that not all Micro Small Businesses in West Nusa Tenggara Province can be

¹⁶ Rian Hidayat tahun 2021 dengan judul skripsi Strategi Pengembangan Umkm Di Masa Pandemic Covid-19 dari Program Studi Teknik Industri Fakultas Teknik Universitas Muhammadiyah Palembang.

¹⁷ Cahya Nabila, Tuah Nur dan M. Rizal. jurnal ilmiah *Muqoddimah* (Jurnal Ilmu Sosial, Politik dan Humaniora) Volume 5 Nomor 2 Agustus 2021. Dari Universitas Tapanuli Selatan.

empowered. This study aims to describe and analyze the effectiveness of the Strategy for empowering Micro, Small, and Medium Enterprises (UMKM) during the 2020 Covid-19 Pandemic at the UKM Cooperative Service of West Nusa Tenggara Province. The research method used is descriptive with a qualitative approach. The informants used in this study used the purposive sampling technique. The informants of this research consisted of the head of the UKM Division, the Head of the UKM Development Section, the Head of the Program Division of the NTB Province UKM Cooperative Service, and Empowered UKM Actors. Data collection techniques used were interviews, observation, and documentation. Data analysis is done by collecting data, data reduction, data presentation, and conclusions. The results of this study indicate that for the effectiveness of the Micro, Small and Medium Enterprise Empowerment Strategy during the 2020 Covid-19 Pandemic at the UKM Cooperative Service of West Nusa Tenggara Province, it cannot be said to be good from the three indicators described, only two indicators can be said to be good, namely the target accuracy indicator. and program socialization.¹⁸

Furthermore, the Kumawula Community Service Journal Vol. 4, No.1, April 2021, Pages 108 – 123 written by Sam'un Jaja Raharja and Sari Usih Natari with the title UMKM Business Development in a Pandemic Period Through Optimizing the Use and Management of Digital Media: The Covid-19 pandemic has hit many countries, including Indonesia. Covid-19 has had an impact on various sectors including Micro, Small, and Medium Enterprises, including the decline in the number of sales. Community Service Activities are carried out to guide in overcoming these impacts through the use and management of appropriate digital media. By using and managing digital media, it is hoped that business actors can determine the right type of digital media for the products being marketed, increase awareness and public interest in the product. The method used is virtual training using Zoom Meeting. The material for this activity is a strategy for using and managing digital media, optimizing digital marketing and product branding to improve the ability to create interesting content, promotions as well as alternative media for business actors in the service sector. The digital media used include Instagram, Facebook WhatsApp, GrabFood/Go-Food, Tokopedia, and other platforms.

The results of the activity show that the training and guidance provided has a positive impact on business actors by increasing knowledge about digital media, increasing knowledge of various media that can be used, and increasing skills in the use and management of digital media in branding. Recommendations that can be submitted are the sustainability of the coaching program for business actors so that they can implement and manage digital media optimally.¹⁹

¹⁸ Lia Fitriani 2021 dengan judul Tesis Efektifitas strategi Pemberdayaan usaha mikro kecil dan menengah (UMKM) dimasa Pandemi Covid-19 tahun 2020 pada Dinas Koperasi dan UKM Provinsi NTB dari Universitas Muhammadiyah Mataram. <http://repository.ummat.ac.id/2403/>.

¹⁹ Sam'un Jaja Raharja dan Sari Usih Natari Jurnal Pengabdian Kepada Masyarakat Kumawula, Vol. 4, No.1, April 2021, Hal 108 – 123. DOI: <https://doi.org/10.24198/kumawula.v4i1.32361> ISSN 2620-844X (online) Tersedia *online* di <http://jurnal.unpad.ac.id/kumawula/index>

From the relevant research above, theoretically, it has a relationship or relevance to the research that the researcher is doing. The studies above conceptually can be used as a general theoretical reference for the author in conducting research. Because the study is both about the Strategy of the South Sumatra Province Cooperatives and UKM Service in the Development of the Micro, Small, and Medium Enterprises Sector.

B. METHODS

The method used in this study uses a descriptive qualitative approach. Qualitative research is research that intends to understand what phenomena are experienced by research subjects, for example, behavior, how to describe it in the form of words and language. In a special context that is natural and by utilizing various natural methods. Data were collected from two sources, namely primary sources and secondary sources. Systematic and consistent data collection procedures that are complete, objective, and accountable through observation, interviews, and documentation. Data analysis in this study was conducted by organizing the information obtained from interviews, field notes, and documentation.

C. RESULTS AND DISCUSSION

The Covid-19 pandemic has had an impact on economic instability, including Micro, Small, and Medium Enterprises (UMKM). In general, the majority of UMKM experienced a decline in income and even went bankrupt due to the Covid-19 pandemic. Facing this, a strategy is needed for UMKM to survive and be able to develop their business amid the Covid-19 pandemic. One of the main aspects that have an impact on UMKM actors is the decline in the number of sales which makes UMKM financial condition in a crisis. Restrictions on social activities make it difficult for UMKM to move to develop a business scale if they only use these conventional methods. Business actors have taken various ways to respond to these difficult conditions to maintain their business.

The lack of mass mobility around the market certainly hampers the level of promotion which has an impact on the level of sales. Overcoming this, online marketing through the media is the right step that must be taken by business actors²⁰. And the pandemic also limits consumers from buying UMKM products directly. The existence of this pandemic has also led to many regulations issued by the government, such as the prohibition on gathering and the existence of Large-Scale Social Restrictions (PSBB). This condition makes it difficult for partners to serve consumers who usually gather at the stalls of UMKM partners.

Micro-enterprises can be defined as productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro-enterprises as

²⁰ Suswanto, P dan Setiawati, S. D., (2020). Membangun Strategi Komunikasi Pemasaran dalam Membangun Positioning di Tengah Pandemi Covid-19 di Indonesia. Lini Masa: Jurnal Ilmu Komunikasi, 3(2), hal 16-29.

stipulated in the Act, while small-scale businesses are productive economic businesses that stand-alone, which are carried out by individuals or business entities that are not subsidiaries. or not a branch of a company that is owned, controlled, or becomes a part, either directly or indirectly, of a medium-sized business or a large business that meets the criteria for Small Business as referred to and lastly, Medium Enterprises are productive economic businesses that stand-alone, which are carried out by individuals or business entities. which is not a subsidiary or branch owned, controlled.

1. Products sold/Activities carried out

This program has the aim of increasing UMKM Human Resources who are strong and have an entrepreneurial spirit. The target to be achieved is to increase Human Resources for UMKMs so that UMKMs are realized that are strong, independent, innovative, dynamic, and highly competitive. To support the program, the activities carried out are:

a) Savings and Loan Cooperative

A cooperative whose main activity or service is providing services storage and lending to its members. In other words, its task is to provide savings services and at the same time provide credit to its members. Through savings and loan services from cooperatives, members get better and more profitable financial services. The position of members other than as owners is as customers.

b) Marketing Cooperative or Producer Cooperative

Producer Cooperative is a cooperative whose members do not have their business households or companies but cooperate in a cooperative forum to produce and market goods or services and whose main activity is to provide, operate or manage joint production facilities.

c) Implementation of Entrepreneurship Training for UMKM

The entrepreneurial spirit is the most important thing that must be owned by every entrepreneur, especially UMKM. This entrepreneurial spirit has a great relationship with the element of innovation. If a business actor has a high entrepreneurial spirit, then he will be able to create new things that have more value. Often entrepreneurship is only defined as an activity by starting a new business, still small-scale, and self-owned. Even though more than that, a person is said to be entrepreneurial if he can practice innovation systematically, and can control all the risks that arise from his business. However, currently, the entrepreneurial spirit is very rarely owned by UMKM actors. Because most UMKM still do not dare to take all the risks that arise later.

Therefore, the Office of Cooperatives and UKM of Palembang City in implementing the Entrepreneurship Development Program and Competitive Advantage of UMKM organizes entrepreneurship training activities for UMKM. This entrepreneurship training aims to develop and improve the personal quality of UMKM Human Resources (HR). In addition, this activity also intends to improve managerial

and entrepreneurial abilities for UMKM, so that optimal performance is achieved and they grow and develop into UMKM that are healthy, tough, and independent as business actors in the people's economy.

a) Providing training on Basic Accounting; Understanding Cooperative Accounting, Bookkeeping Proof, Ledger and Exercises, Cash, Cash, Item Cards, and Practice, Balance Sheet and Ledger Financial Statements, Balance and Exercise List, Balance Sheet and Ledger Financial Statements, Operating Results Report.

b) Providing training on Import-Export for UMKMs; How to Start Export, Marketing strategy, How to Increase Revenue through Export, Export Procedure.

Export Experience This training is carried out to spur business actors to further advance their business through import and export. In addition, this training is also to introduce strategies and procedures for implementing a good export-import strategy.

a) Providing technical assistance to increase human resources with a gender perspective; Gender equality, Product arrangement for women UMKMs, How to be entrepreneurial. This training aims to develop women's potential. In this activity, the participants will be explained gender equality and directions to run the right business for women.

b) Providing handicraft training; Box Making, Jewelry from beads, Flower Crafts, Cover decorative glass/batik, Candle Souvenir, Brooch, Ribbon embroidered veil, Ribbon embroidery bag.

This is intended to provide additional skills to the trainees. With this training, it is hoped that new entrepreneurs will be created with innovative production and able to compete with existing markets. The entrepreneurial spirit is very important to have in every individual entrepreneur to run his business. However, not all entrepreneurs have it. Therefore, this entrepreneurship training should be carried out. Unfortunately, the results of this training have not been fully implemented by entrepreneurs. There are still many entrepreneurs who have not dared to innovate their business and are afraid of the business risks they will face.

2. Development of the UMKM sector by the Palembang City Cooperatives and UKM Office

Palembang City is an area that has great potential in the UMKM sector. This can be seen from the large number and the continuing increase in the number of existing UMKMs so that this sector has a lot of contribution to make in helping the local people's economy, especially small people who have a relatively low educational background. It is proven that more than half of the population in Surakarta City is absorbed in the UMKM business sector. The number of UMKMs in the city of Surakarta is inseparable from the various problems faced by business actors in developing their business. This makes the Palembang City Cooperatives and UKM Office make various efforts to overcome these problems, as well as to further develop the business potential of the UMKM sector.

To develop the UMKM sector, the Office of Cooperatives and UKM of the City of Palembang has implemented several program activities which are the implications of the established strategy. The strategy implemented by the Office of Cooperatives and UKM of Palembang City is a strategy that comes from the policies of the Central Government, in this case, the Ministry of Cooperatives and UKM. The Palembang City Cooperatives and UKM Office only implement what has been determined from the central level. However, not all existing strategies are implemented in the city of Palembang. This is because the implementation of the strategy is adapted to local conditions and the availability of the allocated budget. The UMKM development strategy broadly consists of Strengthening, Empowerment, and Protection strategies. These strategies are then further implemented into the following programs and activities.²¹

3. Strategy for Strengthening the Business Support System Development Program for UMKM

The purpose of implementing this program is to increase the ability of PKM to take advantage of open opportunities and potential resources, especially local resources. The target of this program is to increase institutional arrangements, capital, and marketing for MSMEs so that strong business actors can be realized. To achieve these targets, a program has been established with the following activities.

4. Socialization of information support for providing capital for UMKM

Capital is the main factor needed to develop a business unit. Therefore, an activity to provide socialization to MSME business actors is needed regarding the provision of capital loans. The purpose of this outreach activity is to strengthen capital support for the growth and development of MSMEs in the city of Palembang where there is no adequate financing available from existing financial institutions. While the objectives to be achieved from this activity include: a). Increase MSME capital for business development; b). Improve and expand business services for MSMEs; c). Increase the volume of MSME business.

The socialization of information support for the provision of capital is carried out through outreach activities by gathering MSME business actors who are then carried out by delivering information or providing direct understanding regarding procedures related to the provision of capital provided by the Government.

In this activity of socializing the provision of capital, the Cooperative and UKM Service provides direct information to entrepreneurs on how entrepreneurs can obtain capital loans from the government accompanied by sharing or direct consultation on various problems faced by business actors related to capital. So it can be said that the Department of Cooperatives and UKM serves as a facilitator for entrepreneurs and parties who will provide capital loans.

About the limited budget, in selecting which UMKM are entitled to take part in this socialization activity, the Cooperatives and UKM Office has several criteria. Because

²¹ Bryson, John. M. 2007. *Perencanaan Strategis Bagi Organisasi Sosial*. Yogyakarta: Pustaka Pelajar.

usually, UMKM who take part in this socialization activity will later get a capital loan. The general criteria for UMKM that deserve assistance include: 1). Group or individual businesses, especially micro and small scale businesses, whose existence is clear, active, and known or approved by the Head of the Cooperatives and UKM Service; 2). Micro and small business groups with 15 members or more and have the potential to be developed; 3). Have a business analysis.

D. CONCLUSION

From the results of research on the strategy of the Palembang City Cooperatives and UKM Office in developing the UMKM sector, it can be concluded that the strategy implemented by the Palembang City Cooperatives and UKM Office is a strategy that has been determined by the Central Ministry. However, not all existing strategies are implemented at the City Government level. Because it must be adjusted to conditions in the region and the amount of available budget. The strategies implemented by the Palembang City Cooperatives and UKM Office in developing the UMKM sector are as follows:

1. Reinforcement Strategy. This Strengthening Strategy is intended to strengthen the running of the UMKM sector business so that its existence can always exist and survive amid the times. This strategy is supported by the following activities: Socialization of Information Support for the Provision of Capital for UMKM, which aims to bridge between UMKM business actors and the providers of credit assistance in terms of accessing capital assistance.

2. Empowerment Strategy. This Empowerment Strategy is a strategy to conduct business to empower the existence of the MSME sector. This strategy is implemented with the following activities: a). Implementation of Entrepreneurship Training, which aims to increase the entrepreneurial spirit among MSME business actors; b). Organizing MSME Product Promotion, which aims to increase the marketing of MSME products.

3. Protection Strategy. The Protection Strategy is intended to protect the running of MSME businesses so that obstacles in the course of their business can be minimized. This strategy is carried out with the following activities: a). Formulation of Policy on MSMEs, is an activity of compiling academic texts and drafts of Raperda on Cooperatives and MSMEs, b). Facilitation of MSME Development, which is an activity to facilitate the things needed by MSMEs to develop their business.

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